

State of Maryland
Comptroller of the Treasury

Compliance Division

301 West Preston Street, P. O. Box 2383
Baltimore, Maryland 21201-2383

RECEIVED

1994 MAR 29 PM 2:51

3/29/94 AM
3/30/94
Louis L. Goldstein
Comptroller
J. Basil Wisner
Chief Deputy Comptroller

Stephen M. Cordi
Director

March 24, 1994

Ms. Mary Lou Benzel
Contracting Officer
Services Acquisition Center
General Services Administration
Federal Supply Service
Washington, D.C. 20406

Dear Ms. Benzel:

Your letter of March 18, 1994 advises me that the federal government has awarded a new contract for the federal I.M.P.A.C. Visa card commencing March 4, 1994. You have requested confirmation that purchases made with I.M.P.A.C. cards under the new contract are entitled to exemption from Maryland sales and use taxes.

I have had an opportunity to review the materials included with your letter and to discuss the matter with you by telephone. From this information, it seems clear that the cards are used to make purchases for the United States Government. As such, it remains our view that purchases made with federal I.M.P.A.C. cards are not subject to Maryland sales and use tax.

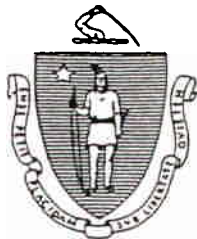
Very truly yours,

Stephen M. Cordi

SMC:cp

Voice telephone: (410) 225-1556 FAX (410) 225-1310

For the hearing impaired: MRS 1-800-735-2258 • TDD (410) 225-1967 • EOE



MITCHELL ADAMS
COMMISSIONER

The Commonwealth of Massachusetts
Department of Revenue
Leverett Saltonstall Building
100 Cambridge Street, Boston 02204

May 2, 1994

Mary Lou Benzel
Services Acquisitions Center
General Services Administration
Federal Supply Services
Washington, DC 20406

Dear Ms. Benzel:

We have received your letter regarding the International Merchant Purchase Authority Card (I.M.P.A.C.) credit cards used by federal employees to purchase items for official federal government business. You state that the federal government has recently renewed its contract for I.M.P.A.C. credit card services with Rocky Mountain BankCard Systems of Denver, Colorado.

The face of the card is imprinted with the following: "U.S. Government Tax Exempt" and "For Official Use Only." In addition, the cards contain specific codes within the card number which identify the purchase as one made by the federal government.

The Department has reviewed its policy at your request regarding the use of such credit cards by federal employees in Massachusetts. The substance of the Department's current policy is stated in Technical Information Release 88-9: "Federal employees can use the U.S. Government Bankcard only for U.S. Government purchases of goods within an authorized spending limit, and not for travel, meals, entertainment or for personal purchases."

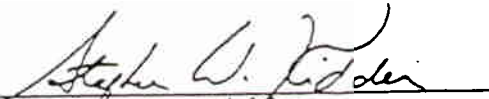
As discussed in a phone conversation on April 26, 1994, the unofficial name for the credit card previously used by federal government employees to purchase items for official federal government business was "U.S. Government Bankcard" referenced in the TIR. The card issued pursuant to the new contract is not referred to as a "U.S. Government Bankcard" since that term is no longer used by the GSA. However, in all other matters the cards referred to in the TIR and the newly issued cards are the same, that is, the new cards are administered in the same manner, by the same service provider, and apply to the same type of purchases as did the old cards; thus, the Department's policy with respect to the cards remains in effect.

You have also asked the Department to confirm the federal government's tax exempt status in Massachusetts. General Laws Chapter 64H, § 6(d), exempts from taxation "[s]ales to the United

The Department of Revenue will continue to accept Forms ST-2 and ST 5 for U.S. Government purchases of goods by federal employees, but those forms are not required with the U.S. Government Bankcard. The U.S. Department of Commerce anticipates that all federal agencies will be participating in the program by the end of fiscal year 1990.

If you have any questions about the new Department of Revenue procedures, you may call or write:

Massachusetts Department of Revenue
Determinations Bureau - Room 303
100 Cambridge Street
Boston, MA 02204
Telephone (617) 727-0135


Stephen W. Kidder
Commissioner of Revenue

August 29, 1988

TIR 88-9



STEPHEN W. KIDDER
COMMISSIONER

The Commonwealth of Massachusetts
Department of Revenue
Leverett Saltonstall Building
100 Cambridge Street, Boston 02204

TECHNICAL INFORMATION RELEASE

Sales Tax Treatment of Purchases with U.S. Government Bankcards

The U.S. Department of Commerce has announced a new program for administering U.S. Government purchases by federal employees. The U.S. Department of Commerce provides an official "U.S. Government Bankcard," issued through the Mastercard system, to federal employees who are authorized to make certain government purchases on the credit of the United States. Federal employees can use the U.S. Government Bankcard only for U.S. Government purchases of goods within an authorized spending limit, and not for travel, meals, entertainment or for personal purchases. The Massachusetts Department of Revenue has agreed to participate in the U.S. Government Bankcard program. The purpose of this Technical Information Release is to explain the Department of Revenue procedures for administering the new U.S. Government Bankcard program.

Sales to the United States or its agencies are exempt from Massachusetts sales tax. G.L. c. 64H, s. 6(d). Generally, in order to be eligible for the exemption, a sale must be directly to the United States or to a U.S. agency. If the credit of the U.S. Government is bound by a purchase made by a federal employee, the employee is an agent of the U.S. Government and the sale is exempt from Massachusetts sales tax. The Department of Revenue will accept the U.S. Government Bankcard as evidence that a particular sale is exempt under G.L. c. 64H, s. 6(d).

The new procedures are as follows. In order for a purchase to be exempt from Massachusetts sales tax, an authorized federal employee must present to the vendor the U.S. Government Bankcard with an additional personal identification at the time of purchase. If the Mastercard system authorizes the sale, the vendor will charge no sales tax, but will otherwise treat the purchase as an ordinary credit card transaction. The words "U.S. Government Tax Exempt" will be imprinted on the vendor's copy of the sales receipt. The vendor must retain this receipt for the vendor's records. See 830 CMR 62C.25.1(4). No other substantiation is required for the Massachusetts sales tax exemption to apply to a U.S. Government purchase of goods.

TIR 88-9



JOHN ENGLER, Governor

DOUGLAS B. ROBERTS, State Treasurer

STATE OF MICHIGAN

DEPARTMENT OF TREASURY

TREASURY BUILDING

LANSING, MICHIGAN 48922

RECEIVED

1994 APR 26 11:07

SM
4/26
bm
4/26

April 20, 1994

Ms. Mary Lou Benzel
Contracting Officer
Services Acquisition Center
General Services Administration
Federal Supply Service
Washington, D.C. 20406

Dear Ms. Benzel:

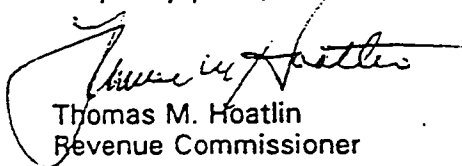
Thank you for your letter requesting a continuation of the use of a commercial credit card for purchases in Michigan. The card is known as I.M.P.A.C. (International Merchant Purchase Authorization Card) VISA.

Based on the information contained in your letter, the purchases made by credit card will continue to include the statement "U.S. Government Tax Exempt" and will be imprinted on the copy retained by the retailer. This will satisfy the Michigan Department of Treasury's requirement to substantiate the exempt transaction with the U.S. Government as purchases made by the U.S. Government and paid for by government funds.

The continuation of the use of the government credit card in Michigan will qualify for exemption from Michigan sales and use taxes.

Answers contained in this letter are based only on the facts presented. Should you have any questions, please contact our Sales, Use and Withholding Taxes Division, Technical Section, at the above address or call (517) 373-3190.

Very truly yours,


Thomas M. Hoatlin
Revenue Commissioner

TMH:CR:jh

Sales and Use Tax Division

Mail Station 9904
Phone (612) 296-6181

St. Paul, MN 55146-9904
1-800-657-3777

DM 4/26
BM 4/26

April 22, 1994

General Services Administration
Federal Supply Service
Washington, DC 20406

Attention: Mary Lou Benzel
Contracting Officer
Services Acquisition Center

Dear Ms. Benzel:

Thank you for your letter of March 18, 1994, regarding the Minnesota sales and use tax as it applies to the I.M.P.A.C. Visa credit card.

Since the credit card is clearly identified as "US Govt Tax Exempt" and payment is made directly by the Federal Government, the use of the I.M.P.A.C. Visa credit card for making exempt purchases is acceptable in Minnesota.

If you have any further questions, please feel free to contact me directly at (612) 296-4757.

Sincerely,



Anne Gravelle, Revenue Examiner
Taxpayer Information Division

RECEIVED
APR 26 1994
FBI 2:58 PM
FBI 2:58 PM

An equal opportunity employer

TDD: (612) 297-2196

Ed Buelow, Jr., *Chairman*
and Commissioner of Revenue

Liam W. Tann, CPA
Associate Commissioner

Harvey Johnson, Jr.
Associate Commissioner



MISSISSIPPI

STATE TAX COMMISSION

June 22, 1994

DM
6/30
6/29
Sales Tax Division
Post Office Box 1033
Jackson, Mississippi 39215
Telephone: 601-359-1133
Fax: 601-359-2680

Ms. Mary Lou Benzel
Contracting Officer
Service Contracts Division
General Services Administration
Federal Supply Service
Washington, D.C. 20406

Dear Ms. Benzel:

This is in response to your letter received by this office regarding the use of commercial credit cards by the United States Government.

My understanding of your letter and the accompanying documents is that the I.M.P.A.C. credit card will be issued to selected civilian and military employees of the United States Government, and that these employees will make purchases in the name of the United States Government, and that these sales will be billed directly to, and payment therefor will be made directly by the United States Government. The vehicle used to pay for these purchases will be through a special credit card issued to the United States Government, custody of which will be retained by selected United States Government employees. The employee will present the credit card to the vendor upon the purchase of property or charge for services. The first four digits of the card (4716) identify this card as a government card. This I.M.P.A.C. credit card is not a card (like Diners, American Express or Visa) which is charged to the employee, who is merely reimbursed for the purchases by the government.

Based upon the above understanding, this office is of the opinion that sales made in this manner meet the criteria to appropriately classify these sales as exempt. Such criteria being that the sale of property or charge for service be sold directly to, billed directly to, and paid for directly by the United States Government. (Reference Section 27-65-105(a), Mississippi Code of 1972.)

If I may be of further assistance, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "David Stevens".

David Stevens, CPA

LS-7
Assistant Director
Sales & Use Tax Division
6/22/94

DS:md

TAX ADMINISTRATION BUREAU
P O BOX 840
JEFFERSON CITY MO 65105-0840

STATE OF MISSOURI
Department of Revenue



AM
4/4/94

RECEIVED 2836

1994 APR 11 PM 1:52

MS MARY LOU BENZEL
GENERAL SERVICES ADMINISTRATION
FEDERAL SUPPLY SERVICE
WASHINGTON DC 20406

March 29, 1994

Dear Ms. Benzel:

This is in response to your letter dated March 18, 1994, requesting approval of the I.M.P.A.C. VISA credit card used by the federal government.

Sales Tax Rule 12 CSR 10-3.248 provides in part that all sales made to the United States government and its agencies are not taxable when purchased directly and paid for by warrants drawn on the United States Treasury.

Based on the information presented, purchases by employees on official government business using the I.M.P.A.C. VISA credit card would not be subject to the sales tax, if paid for directly from government funds. A copy of the federal agency's sales tax exemption letter must also be furnished to the supplier.

If you have further questions regarding this matter, please contact Pamela Murphy, Tax Administration Bureau, P. O. Box 840, Jefferson City, MO 65105-0840.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kenneth M. Pearson".

Kenneth M. Pearson
Administrator
Tax Administration Bureau

KMP:PSM:pm

State of Montana

Marc Racicot, Governor



Department of Revenue

Mick Robinson, Director

Income and
Miscellaneous Tax Division

Jeff Miller, Administrator

APRIL 12, 1994

MARY LOU BENZEL
CONTRACTING OFFICER
SERVICES ACQUISITION CENTER
GENERAL SERVICES ADMINISTRATION
FEDERAL SUPPLY SERVICE
WASHINGTON, D.C. 20406

RE: MONTANA STATE ACCOMMODATION TAX

Thank you for your letter of March 18, 1994 informing us of the Federally issued tax exempt VISA card changes.

The Department of Revenue and the Montana lodging facility owners have and will continue to recognize the Federal exemption for the accommodations tax in Montana by use of the VISA card with the 4716 prefix.

If you have any further questions, I am available at address/phone below.

Cynthia Randall
CYNTHIA RANDALL, AUDIT TECHNICIAN I
INCOME & MISCELLANEOUS TAX BUREAU
PO BOX 5835
HELENA MT 59604-5835
(406) 444-1933 / (406) 444-3388

RECEIVED
APR 21 PM 2:41

STATE OF NEBRASKA

DEPARTMENT OF REVENUE
Terri Balka
Commissioner

RECEIVED
1994 APR -4 AM 8:59



E. Benjamin Nelson
Governor

March 29, 1994

Ms. Mary Lou Benzel
General Services Administration
Federal Supply Service
Washington, D.C. 20406

Dear Ms. Benzel:

This is in response to your letter of March 18, 1994, requesting approval of the International Merchant Purchase Authorization Card (I.M.P.A.C.) for use by employees of the federal government.

Purchases made with the I.M.P.A.C. are not subject to tax provided the bill is paid directly by the federal government and not the federal government agency employee whose name is on the credit card.

If you have any other questions, please contact Ellen Thompson in Legal Division at 402-471-5679.

FOR THE STATE TAX COMMISSIONER

Sincerely,

Lee M. Volkmer
Attorney
Legal Division

LMV:ET:et
00072

DISTRICT OFFICE

State Mailroom Complex
Las Vegas, Nevada 89158
Phone: (702) 486-4050
Fax: (702) 486-4062

STATE OF NEVADA



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APR 21 PM 2:40

DISTRICT OFFICE

4600 Kietzke Lane
Building O, Suite 263
Reno, Nevada 89502
Phone: (702) 688-1295
Fax: (702) 688-1303

DEPARTMENT OF TAXATION

Capitol Complex

Carson City, Nevada 89710-0003

Phone: (702) 687-4892 • Fax: (702) 687-5981

In-State Toll Free: 800-992-0900

BOB MILLER
Governor

YOLANDA G. GONZALEZ
Executive Director

April 18, 1994

Ms. Mary Lou Benzel, Contracting Officer
General Services Administration
Federal Supply Service
Washington, DC 20406

Dear Ms. Benzel:

In response to your letter of March 18, 1994, I offer the following.

In Nevada, the purchase of tangible personal property by the United States Government is not subject to Nevada sales tax (NRS 372.325). Purchases made by a Federal employee using the Federal Government's I.M.P.A.C. VISA card are exempt from Nevada sales/use tax.

The Department of Taxation will notify Nevada taxpayers of your I.M.P.A.C. VISA card program in its next quarterly newsletter "Nevada Tax Notes."

Sincerely,

Bonnie Vivant

Bonnie Vivant, Tax Administrator
Revenue Division

BV/bv



Stanley R. Arnold
Commissioner

State of New Hampshire
Department of Revenue Administration
[RECEIVED]

1994 APR -5 AM 8:46

March 29, 1994

AM
4/5/94
Bmw
4/5/94

Collection Division
Edward E. Dame, Jr.
Director
A.J. Tittmann
Assistant Director

General Services Administration
Attn: Mary Lou Benzel
Federal Supply Service
Washington, DC 20406

Dear Ms. Benzel:

This will acknowledge receipt of your letter dated March 18, 1994 regarding the use of credit cards issued to employees of the U.S. Government.

The State of New Hampshire does not have a general sales tax. However, employees of the U.S. Government will be exempt from the meals and rooms tax provided the procedures explained in our administrative rule Rev 702.07 (copy enclosed) are followed.

Sincerely,


E.E. Dame, Jr.
Director

The Administrative Rule 702.07
was not enclosed

Bmw 4/5/94



State of New Jersey

DEPARTMENT OF THE TREASURY

DIVISION OF TAXATION

50 BARRACK STREET

CN-269

TRENTON, NEW JERSEY 08646

September 19, 1989

IN REPLY REFER TO:

Tax Counselors Branch
(609)292-5994

Ms. Bernadette Mount
Contracting Officer
Service Contracts Division
General Services Administration
Federal Supply Service
Washington, DC 20406

Dear Ms. Mount:

I have your letter and additional material supporting your request for approval from the New Jersey Division of Taxation for the use of the new United States of America Visa credit card in our state to document sales tax exempt purchases by the federal government.

You advise that the federal government has awarded a contract to Rocky Mountain BankCard System, Inc. to provide unique Visa credit cards to certain federal employees. The pilot program will expire on September 30, 1989 and a new program has been approved by the Office of Management and Budget and at the request of the General Services Administration will be expanded to all departments and wholly owned government corporations in the executive branch of the federal government. The card will be used to order and pay for supplies and services under \$25,000. The unique Visa credit cards are readily identifiable indicating on their face "United States of America I.M.P.A.C. for official use only." I.M.P.A.C. stands for International Merchant Purchase Authorization Card. The face of the card also contains the name of the federal employee authorized to use the card and is embossed with the statement "U.S. Govt. Tax Exempt." Thus the copy of the transaction slip maintained by the merchant will have the necessary proof that the purchase was made for official government purposes and paid for by the federal government and, therefore, exempt from sales tax.

As stated in prior correspondence, the New Jersey Sales and Use Tax Act at N.J.S.A. 54:32B-9(a) provides:

". . . any sale, service or amusement charge by or to any of the following shall not be subject to the sales and use taxes imposed under this act: . . . (2) The United States of America, and any of its agencies and instrumentalities, insofar as it is immune from taxation where it is the purchaser, user or consumer"

September 19, 1989

Ms. Bernadette Mount
Contracting Officer
Service Contracts Division
General Services Administration

However, this exemption only applies when the legal incidence of the tax, not merely the economic burden, falls on the federal government as the direct purchaser.

It has been held by the Comptroller General of the United States, 55 Comp. Gen. 1278:

"When an employee of the Government secured a hotel room or other lodging while traveling on official business the Government is not ordinarily a party to the transaction. The fact that the Government is obligated to reimburse the employee for his travel expenses and thereby assumes the economic burden of the total costs, including the tax, does not thereby make it a tax upon the United States."

Therefore, when an employee of the federal government makes purchases or secures lodging in New Jersey and the legal incidence of the tax, not merely the economic burden falls directly upon the federal agency or instrumentality as the direct purchaser and direct payer of record, documented by government check or voucher, exemption from New Jersey sales and use tax would be allowed.

However, when purchases or lodging are paid for by a federal employee, using his personal funds as payment of record, regardless of the mode of payment, i.e., personal check, cash, credit card, money order, etc., and regardless of the intent of the federal agency to subsequently reimburse him, the legal incidence of tax falls upon the employee, who would be obligated to pay the applicable sales tax.

Upon review of the material submitted with your letter it is recognized that on purchases made with the United States of America I.M.P.A.C. Visa credit card the federal government is the direct purchaser (through its employee/agent) and direct payer of record and, therefore, since the legal incidence of the tax is on the federal government the purchases would be exempt from New Jersey sales and use tax. Payments for these credit card purchases are made directly from a federal government account, not an employee account.

Therefore, the use of the United States of America I.M.P.A.C. Visa credit card by federal employees to purchase supplies and services tax exempt for the federal government is approved. The transaction slips maintained by the vendor stating "U.S. Govt. Tax Exempt" is sufficient proof to document the federal government tax exempt purchase.

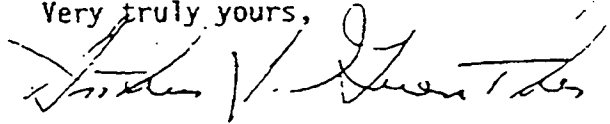
Ms. Bernadette Mount
Contracting Officer
Service Contracts Division
General Services Administration

September 19, 1989

The New Jersey Division of Taxation will notify all vendors in the state of the forthcoming use of the new United States of America I.M.P.A.C. Visa credit cards by federal employees.

If I can be of further assistance in this matter do not hesitate to contact me at the above stated address or (609)292-5994.

Very truly yours,



Arthur J. Guenther
Assistant Chief Tax Counselor

AJG:aln